

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Bay State Gas Company

D.T.E. 05-27

ATTORNEY GENERAL'S MOTION TO BIFURCATE

Pursuant to 220 C.M.R. § 1.04(5), the Attorney General moves to bifurcate the proceedings in order to ease the administrative burden on the Department and all Intervenors, and permit sufficient time for case preparation, presentation of evidence and cross examination under the G. L. c. 30A, §11. On April 27, 2005, Bay State Gas Company (“Bay State” or “Company”) filed with the Department of Telecommunications and Energy (“Department”) a complex rate case involving nine Company witnesses, and seeking approval of a Performance Based Rate (“PBR”) mechanism, a pension reconciliation mechanism and a \$300 million accelerated steel replacement program. In response to the Company’s filing, the Intervenors may sponsor as many as six to nine additional witnesses. Pursuant to 220 C.M.R. § 1.04(5), the Attorney General moves to bifurcate the proceedings in order to ease the administrative burden on the Department and all Intervenors, and permit sufficient time for case preparation, presentation of evidence and cross examination under the G. L. c. 30A, §11. The Department should separate the base rate case from the pension mechanism, the steel replacement program and PBR mechanism. These issues could be easily addressed in a second phase of the case after cast-off rates for the PBR are set in the base rate proceeding. The Department has phased other

cases, and recently approved a settlement with an electric utility that agreed to bifurcate its next rate case to address the PBR mechanism in a follow-on proceeding after the cast-off rates are adjudicated. *Western Massachusetts Electric Company*, D.T.E. 04-106, p. 5 (2004).

WHEREFORE: The Attorney General requests that the Department bifurcate the proceeding and address the PBR mechanism, the pension mechanism and the steel replacement program in a second phase of this case to commence within 45 days after a final order in the base rate proceeding.

Respectfully Submitted,

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